



DIRK KEMPTHORNE
GOVERNOR

NEWS RELEASE

FOR IMMEDIATE RELEASE:

November 15, 2005
05:129

CONTACT: Mike Journee
(208) 334-2100

KEMPTHORNE UNVEILS COMMON SENSE PROPOSAL FOR MEDICAID REFORM

(BOISE) Governor Dirk Kempthorne today unveiled his common sense plan to modernize Idaho's Medicaid program by applying long-term reforms that will simplify the system, reduce costs, and focus on prevention, wellness and personal responsibility.

Without reform, the skyrocketing costs of the Medicaid system – in Idaho and all around the nation – will erode states' ability to provide other essential services such as education and public safety.

"Today, Medicaid takes a 'one size fits all' approach to what are, ultimately, very different populations of people with very different health care needs," Kempthorne said. "I am putting forward a plan that will match the needs of the individual with specific programs that are designed to produce specific outcomes. As I lay out my approach to reform, you will notice that I am taking a long-range approach to improving the quality of the program, while at the same time, saving money."

Governor Kempthorne's reform proposal will redesign Medicaid into three separate programs:

- Low-income children and working age adults
- Individuals with disabilities or special health needs
- The elderly

(MORE)

COMMON SENSE PROPOSAL FOR MEDICAID REFORM, Page 2

Each of these programs will have different policy goals and objectives based upon the needs of those in the program. For example, low-income children, who are relatively healthy, will have a program focused on primary care, prevention and wellness. The program for the elderly, on the other hand, will focus on strengthening support services through respite care programs and counseling and helping individuals stay in their homes and communities longer, rather than being forced to rely on more expensive nursing home care.

Governor Kempthorne has offered to partner with the U.S. Department of Health and Human Services to create a rational model for Medicaid in the United States, based upon his reform proposal for Idaho.

“All of this is a common sense approach to delivering health care services, but it is absolutely contrary to the federal regulations that have built the current Medicaid system over the past 40 years,” Kempthorne said. “So I propose that we untangle Idaho from the bureaucratic red tape that chokes out innovation.”

Governor Kempthorne’s reform is based upon three simple principles:

- Healthy people cost less than sick people
- People who work cost less than people who don’t
- People who live in their own homes cost less than people who live in a nursing home

In Idaho, \$1.1 billion in state and federal money is spent each year to provide health care and supportive services to 180,000 low-income children, adults, the disabled and the elderly – just under 13 percent of Idaho’s population of 1.3 million. Since 1987, the average annual growth in the Idaho Medicaid program has been nearly 18 percent.

Nationally, Medicaid covers more than 53 million people and costs \$329 billion in combined state and federal funds.

“It is a program that is growing at a rate that is unsustainable by anyone’s standard – and we absolutely must do something to stem that growth,” Kempthorne said.

###